

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF GAIN ENERGY LTD.

PROPOSAL

Gain Energy Ltd., a corporation duly constituted, having its principal place of business at Centennial Place, East Tower 30th Floor, 520 3 Avenue SW, Calgary, AB T2P 0R3, Canada, hereby submits the following Proposal to all of its Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

ARTICLE 1  
DEFINITIONS

1.1 Definitions

In this Proposal:

"**Administrative Fees and Expenses**" means the documented and reasonable fees, expenses, legal fees and disbursements of the Trustee and the Company and its and their agents, appraisers and counsel on and incidental to the negotiation, preparation, presentation, consideration, Court approval of, and implementation of the Proposal and all proceedings and matters relating to or arising out of the Proposal including, without limitation, any meeting or meetings of creditors to consider the Proposal;

"**Affected Claims**" means any Claim that is not an Unaffected Claim;

"**Affected Creditor**" means a Creditor having an Affected Claim;

"**Approval Order**" means an Order of the Court approving the Proposal;

"**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3;

"**Business Day**" means each day other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Calgary, Alberta, Canada;

"**Claim**" means any right of any Person against the Company whether or not asserted in connection with any indebtedness, liability or obligation of any kind whatsoever owed to a Person, including any indebtedness, liability or obligation owed to such Person as a result of any duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to, or to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, under-secured, unsecured, preferred, perfected, unperfected, present, future, direct or indirect, known or unknown, by guarantee, by surety or otherwise, at law or in equity, and whether or not such a right is executory or anticipatory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to the Filing Date;

"**Company**" means Gain Energy Ltd., a company existing under the laws of Canada;

"**Cooperating Creditor**" means GES LP;

"**Cooperating Creditor Claims**" means the Claims of the Cooperating Creditors;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Creditor**" means any Person having a Claim or a Director Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf of or in the name of such Person;

"**Creditors' Meeting**" means any meeting of the Affected Creditors, in person or virtually, called by the Trustee for the purpose of considering and voting upon the Proposal;

"**Creditors' Meeting Date**" means the date and time as may be called by the Trustee in consultation with the Official Receiver pursuant to Section 6.2;

"**Directors**" means the present and former directors of the Company, as at the Filing Date;

"**Director Claim**" means a claim against the Directors that is based in whole or in part on facts, events or matters which existed or occurred on or before the Filing Date and that relates to the obligations of the Company for which the Directors are by law liable in their capacity as Directors for the payment of such obligations. Director Claims do not include claims that relate to: (a) contractual rights of one or more Creditors arising from contracts with one or more Directors; or (b) wrongful or oppressive conduct by Directors;

"**Disputed Claims**" means any Proof of Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven in accordance with section 135 of the BIA or which is being disputed in whole or in part by the Trustee, or any other Person entitled to do so and has not been resolved in accordance with the BIA;

"**Employee Claim**" means, for each employee, the aggregate sum of all amounts owing to such employee, including any amounts owing in respect of notice of termination or pay in lieu thereof and severance claims, as set forth in the Employee Claim Notice;

"**Employee Claim Notice**" means the notice sent to each employee together with this Proposal setting out the employee's Employee Claim;

"**Employee Creditor**" means a Creditor having an Employee Claim;

"**Employment Insurance Act**" means the *Employment Insurance Act*, S.C. 1996, c. 23;

"**Filing Date**" means March 8, 2021, the date of the filing of the Proposal with the Official Receiver;

"**GES LP**" means Gain Energy Services LP, a limited partnership existing under the laws of the Province of Ontario;

"**Implementation Date**" means the date upon which the conditions set forth in Section 9.3 have been satisfied;

"**Income Tax Act**" means *Income Tax Act*, RSC 1985, c. 1 (5th Supp.)

"**Inspectors**" means one or more Inspectors appointed pursuant to the BIA as provided for in the Proposal;

"**Landlords**" means those Creditors of which the Company was a commercial tenant under a lease of real property, as acknowledged by the Company;

"**Landlord Claims**" means the Unsecured Claims of the Landlords in the amount prescribed by section 65.2(4)(b)(i) of the BIA;

"**Official Receiver**" shall have the meaning ascribed thereto in the BIA;

"**Person**" means any individual, general or limited partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency, regulatory body or instrumentality thereof, or any other entity howsoever designated or constituted;

"**Post-Filing Claim**" means any claims arising in respect of services rendered, goods supplied or other consideration given to the Company as and from the Filing Date, including amounts owed to Landlords of the Company where the Company is a commercial tenant under a lease of real property (up to the effective date of disclaimer of such leases pursuant to section 65.2(1) of the BIA), will be paid by the Company in full in the ordinary course of business and on regular trade terms or as may be arranged by the Company, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before the Approval Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Company's business during the same period together with any unremitted source deductions and employer's obligation to make contributions in relation thereto;

"**Post-Filing Creditor**" means the holder of a Post-Filing Claim;

"**Preferred Claims**" means all Claims directed by section 136 the BIA to be paid, subject to the rights of Secured Creditors, in priority to all other Claims in the distribution of the property of an insolvent party;

"**Preferred Creditor**" means a Creditor having a Preferred Claim;

"**Proof of Claim**" shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;

"**Proposal**" means this proposal together with any amendments or additions thereto;

"**Proven Claim**" of a Creditor means the amount of the Affected Claim of such Creditor finally determined in accordance with BIA;

"**Required Crown Amount**" means all amounts outstanding at the time of the filing of the Notice of Intention to Her Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under,

- (i) subsection 224(1.2) of the Income Tax Act;
- (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or

- (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (A) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
  - (B) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

**"Secured Claim"** means Claims of secured creditors within the meaning of the BIA;

**"Secured Creditor"** means a Creditor having a Secured Claim;

**"Settlement Fund"** means the lesser of (i) all remaining funds of the Company, and (ii) funds sufficient to pay in full all Proven Claims of the Affected Creditors under this Proposal, which funds will be remitted by the Company to the Trustee following Court Approval for distribution to the Affected Creditors, in full and final settlement of their Claims against the Company, in accordance with the terms of this Proposal;

**"Trustee"** means KPMG Inc., the Trustee named in the Proposal of the Company;

**"Unaffected Claims"** means the Administrative Fees and Expenses, Post-Filing Claims the Cooperating Creditor Claims, and any Secured Creditors;

**"Unsecured Claims"** means the Claims of the Unsecured Creditors, including Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date as well as contingent or unliquidated claims arising out of any transaction entered into the Company prior to the date thereof;

**"Unsecured Creditor"** means a Landlord with a Landlord Claim, a Preferred Creditor or any other Creditor with an Unsecured Claim; and

**"Voting Letter"** shall mean the voting letter required by section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors' Meeting.

## **1.2 Articles of Reference**

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

## **1.3 Interpretation Not Affected by Headings**

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

#### **1.4 Date for Any Action**

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

#### **1.5 Time**

All times expressed herein are local time in Calgary, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Calgary, Alberta, Canada.

#### **1.6 Numbers, Gender**

In the Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

#### **1.7 Currency**

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

#### **1.8 Statutory References**

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

#### **1.9 Successors and Assigns**

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

## **ARTICLE 2 PURPOSE OF THE PROPOSAL**

### **2.1 Introduction and Purpose of the Proposal**

The Company sold all or substantially all of its oil and gas assets and repaid its senior secured creditor in September 2020. The purpose of the Proposal is to allow the Company to effect the restructuring of its indebtedness in the manner contemplated herein and as permitted by the BIA, in the expectation that, as a result of the Cooperating Creditor receiving no distributions under this Proposal, all Affected Creditors will derive significantly greater benefit from the restructuring than they would otherwise receive from a bankruptcy of the Company. The Company will therefore proceed to effect its wind-up under the applicable company legislation following the Implementation Date. The Proposal provides for the foregoing consideration in exchange for the full compromise and final satisfaction of all Affected Claims. The Proposal applies to all Affected Creditors, whether or not any such Affected Creditor proves a Claim against the Company under this Proposal, but does not apply to the Unaffected Claims.

**ARTICLE 3  
CLASSIFICATION OF CREDITORS**

**3.1 Classes of Creditors**

For the purposes of voting on the Proposal, the Creditors of the Company shall be comprised of one class of Unsecured Creditors.

**ARTICLE 4  
TREATMENT OF CREDITORS**

**4.1 Administrative Fees and Expenses**

On the Implementation Date, all Administrative Fees and Expenses incurred to that date which remain unpaid shall be paid by the Company in full from funds paid to the Trustee in addition to the Settlement Fund.

**4.2 Binding Effect and Distribution**

Pursuant to section 62 of the BIA, this Proposal shall become binding on all Affected Creditors in respect of the Company upon acceptance by the Affected Creditors pursuant to Section 6.6 and the granting of the Approval Order by the Court. Thereafter the Trustee shall distribute the Settlement Fund on a *pro rata* basis in the following order:

- (a) first, in payment of all Proven Claims of the Preferred Claims of Preferred Creditors in accordance with section 136 of the BIA;
- (b) second, the balance, if any, in payment of all Proven Claims of the Affected Creditors; and
- (c) third, the balance, if any, will be returned to the Company.

The distributions in (a) and (b) above shall be net of any amount to be set aside by the Trustee while Claims are being determined, litigated or for any Disputed Claim and the Trustee shall use its best judgment in the determination of any amount which should be set aside, and for which period.

**4.3 No Interest on Claims**

Interest will not accrue or be paid on Affected Claims after or in respect of the period following the Filing Date and no Creditor with an Affected Claim will be entitled to any interest in respect of such Claim accruing on or after or in respect of the period following the Filing Date.

**4.4 Required Crown Amount**

The Required Crown Amount shall be remitted by the Trustee to Her Majesty in Right of Canada from the Settlement Fund within six (6) months of the Approval Order.

**4.5 Obligations of the Company**

The Company shall, no later than ten (10) days after the date of the Approval Order, pay to the Trustee:

- (a) the Settlement Fund;

- (b) an amount sufficient to pay all Administrative Fees and Expenses incurred to the Implementation Date; and
- (c) additional funds sufficient to pay the estimated amount of all Administrative Fees and Expenses to be incurred up to and including the date of the Trustee's discharge in accordance with Section 7.1.

#### **4.6 Superintendent of Bankruptcy Levy**

The Office of the Superintendent of Bankruptcy shall be paid its prescribed levy as required by sections 60(4) and 147 of the BIA by the Trustee from any dividends paid to the Creditors with Proven Claims.

#### **4.7 Treatment of Unaffected Claims**

Creditors with Unaffected Claims will not receive any consideration or distributions under this Proposal in respect of their Unaffected Claims and shall not be entitled to vote on this Proposal at any Creditors' Meeting in respect of their Unaffected Claims. For clarity:

- (a) Secured Claims, if any, shall be paid prior to the Implementation Date in accordance with arrangements existing between the Company and the holders of Secured Claims or as may be arranged between the Company and the holders of Secured Claims;
- (b) Post-Filing Claims will be paid in full by the Company in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims; and
- (c) Cooperating Creditor Claims will not receive any distributions hereunder, will not be compromised by this Proposal, and will be dealt with by the Company after the completion of this Proposal.

#### **4.8 Disputed Claims**

An Unsecured Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions made pursuant to this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim. The procedure for resolving any Disputed Claims will be as set forth in the BIA.

### **ARTICLE 5 PROCEDURE FOR VALIDATION OF CLAIMS**

#### **5.1 Employee Claims**

Each employee which is in agreement with the Employee Claim Notice shall not be required to file a proof of claim and their Proven Claim shall be deemed to be as set forth in the Employee Claim Notice, for voting and distribution purposes under the Proposal. Employees who do not agree with the amount of their Claim as set forth in the Employee Claim Notice must complete and file a proof of claim in respect of their Claim, prior to the first Creditors' Meeting if they wish to vote on the Proposal, together with any and all supporting documents, and a proper statement of account, which proof of claim shall be determined pursuant to the BIA.

## **5.2 Allowance or Disallowance of Claims by the Trustee**

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of the BIA.

## **ARTICLE 6 MEETING OF CREDITORS**

### **6.1 Creditors' Meeting**

On the Creditors' Meeting Date, the Trustee shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

### **6.2 Time and Place of Meeting**

The Creditors' Meeting shall be held on the Creditors' Meeting Date at a time and place to be established by the Trustee in consultation with Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed by the Trustee pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting, subject at all times to (i) further order of the Court, including without limitation any order respecting COVID-19 related creditor meeting protocols; and (ii) any COVID-19 related creditor meeting directive issued by the Official Receiver.

### **6.3 Conduct of Meetings**

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Affected Creditors, including the holders of proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel, if any, the officers, directors, auditors and legal counsel of the Company, together with such representatives of the Trustee and representatives of the Trustee's legal counsel as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

### **6.4 Adjournment of Meetings**

The Creditors' Meeting may be adjourned in accordance with section 52 of the BIA.

### **6.5 Voting by Creditors**

To the extent provided for herein, and as prescribed in the BIA, each Creditor will be entitled to vote to the extent of the amount which is equal to the amount accepted by the chair of the Creditors' Meeting for voting purpose or such amount as may be agreed to by the Trustee for voting purposes at or prior to the Creditors' Meeting (dollar amounts to be voted by Creditors in accordance with the foregoing are referred to as "Voting Claims").

### **6.6 Approval by Creditors**

In order that the Proposal be binding on the class of Unsecured Creditors in accordance with the BIA, it must first be accepted by a majority in number of the Unsecured Creditors who have filed Claims approved by the chair for voting (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing



two-thirds in value of the Voting Claims of the Unsecured Creditors who actually have filed Claims approved by the chair for voting (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter. Approval of the Proposal by the class of Unsecured Creditors shall bind such class with regard to all Affected Claims against the Company.

#### **6.7 Appointment of Inspectors**

In accordance with section 56 of the BIA, at the Creditors' Meeting, the Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and
- (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee, the Creditors or the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the performance of the Proposal.

#### **6.8 Valuation of Claims**

The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in Article 5 hereof and the BIA.

### **ARTICLE 7 COMPLETION OF THE PROPOSAL**

#### **7.1 Discharge of Trustee**

Upon distribution by the Trustee of the Settlement Fund and the Trustee having issued the certificate of full performance, this Proposal shall be fully performed. The Trustee will proceed to apply for its discharge thereafter in due course.

The Trustee is acting in its capacity as Trustee under the BIA and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any liabilities or obligations in connection with the Proposal or in respect of the business or obligations of the Company, and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful misconduct or gross negligence.

#### **7.2 Completion of the Proposal**

The payment, compromise, extinguishment or other satisfaction of any Affected Claim under the Proposal will be binding upon each Affected Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Affected Claims against the Company shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

**ARTICLE 8**  
**PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.**

**8.1 Sections 95-101 of the BIA**

In conformity with section 101.1 of the BIA, sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

**8.2 Recourse**

As a result of and in accordance with Section 8.1 hereof and all of the rights, remedies, recourses and Affected Claims described therein:

- (a) all such rights, remedies and recourses and any Affected Claims based thereon shall be completely unavailable to the Trustee or any Creditor against the Company, any other Creditor or any other Person whatsoever; and
- (b) the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Affected Claims based thereon against the Company, any other Creditor or any other Persons.

**ARTICLE 9**  
**MISCELLANEOUS**

**9.1 Modification of Proposal**

The Company, with the consent of the Trustee, may propose one or more alterations or modifications to the Proposal prior to the conclusion of the first Creditors' Meeting called to consider the Proposal.

**9.2 Consents, Waivers and Agreements**

As at 12:01 a.m. on the Implementation Date, each Affected Creditor will be deemed to have:

- (a) executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Implementation Date;
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the Implementation Date (other than those entered into by the Company on, or with effect from, the Implementation Date) and the provisions of the Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) released the Company, the Trustee, the Directors, and all of their respective affiliates, employees, agents, directors, officers, direct and indirect shareholders, advisors, consultants and solicitors from any and all Claims and any other demands, actions, causes

of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including under any statute, regulation or other law, which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

### **9.3 Conditions to Proposal Implementation**

The implementation of the Proposal by the Company will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) approval of the Proposal by the Unsecured Creditors pursuant to Section 6.6;
- (b) approval of the Proposal by the Court pursuant to a final and non-appealable Approval Order; and
- (c) the payment by the Company of the Settlement Fund.

### **9.4 Release**

Upon the Implementation Date, each and every Director shall be released and discharged from any and all Director Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are fully performed. Nothing herein shall be interpreted as an acknowledgement of any liability or obligation of any of the Directors.

### **9.5 Effect of Proposal Generally**

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on all of the Company and all Affected Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Affected Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of any and all of the Company of or in respect of such Affected Claims.

### **9.6 Notices**

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by receipted email (except for Proofs of Claim which may only be sent by personal delivery, receipted email or registered mail) addressed to the respective parties as follows:

- (a) if to the Company:

c/o Burnet, Duckworth & Palmer LLP  
2400, 525 - 8 Avenue SW  
Calgary, Alberta T2P 1G1

Attention: David LeGeyt

Email: [dlegeyt@bdplaw.com](mailto:dlegeyt@bdplaw.com)

- (b) if to a Creditor, to the address or email address for such Creditor specified in the Proof of Claim filed by Creditor or, if no Proof of Claim has been filed, to such other address or email address at which the notifying party may reasonably believe that the Creditor may be contacted; and
- (c) if to the Trustee:

KPMG Inc.  
205 5th Avenue SW  
Suite 3100  
Calgary, Alberta T2P 4B9

Attention: Neil Honess and Cristina Pimienta  
Email: [nhoness@kpmg.ca](mailto:nhoness@kpmg.ca) and [cpimienta@kpmg.ca](mailto:cpimienta@kpmg.ca)

or to such other address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by receipted email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

#### **9.7 Assignment of Claims**

No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Company and the Trustee in accordance with the requirements of Section 9.6. The assignment of the Claim will not be effective for a period of five (5) Business Days from the date of effective receipt of the notice of assignment by the Company and by Trustee as determined in accordance with Section 9.6.

#### **9.8 Foreign Currency Obligations**

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

#### **9.9 Applicable Law**

The Proposal shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as an Alberta contract.

**9.10 Non Severability**

It is intended that all material provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any material provision or provisions of the Proposal is or are found by the Court to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

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ROBERT FRYK  
President &  
Chief Executive Officer

**9.11 Deeming Provisions**

In the Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

**DATED** at the City of Calgary, in the Province of Alberta, this 8<sup>th</sup> day of March, 2021.

**GAIN ENERGY LTD.**

Per: \_\_\_\_\_

Name:

Title:



**ROBERT FRYK**  
President &  
Chief Executive Officer